

GROUNDFISH Market Report (US) – MARCH 2010



Lower groundfish prices in all major markets

In 2009 a number of groundfish resources showed good signs of recovery, after several rather bleak years. The one major exception to this trend was the Alaskan groundfish fishery. Good supply to all major markets, combined with the current economic crisis, led to declining prices. In the present year even better groundfish catches are expected, and prices are not likely to increase in coming months.

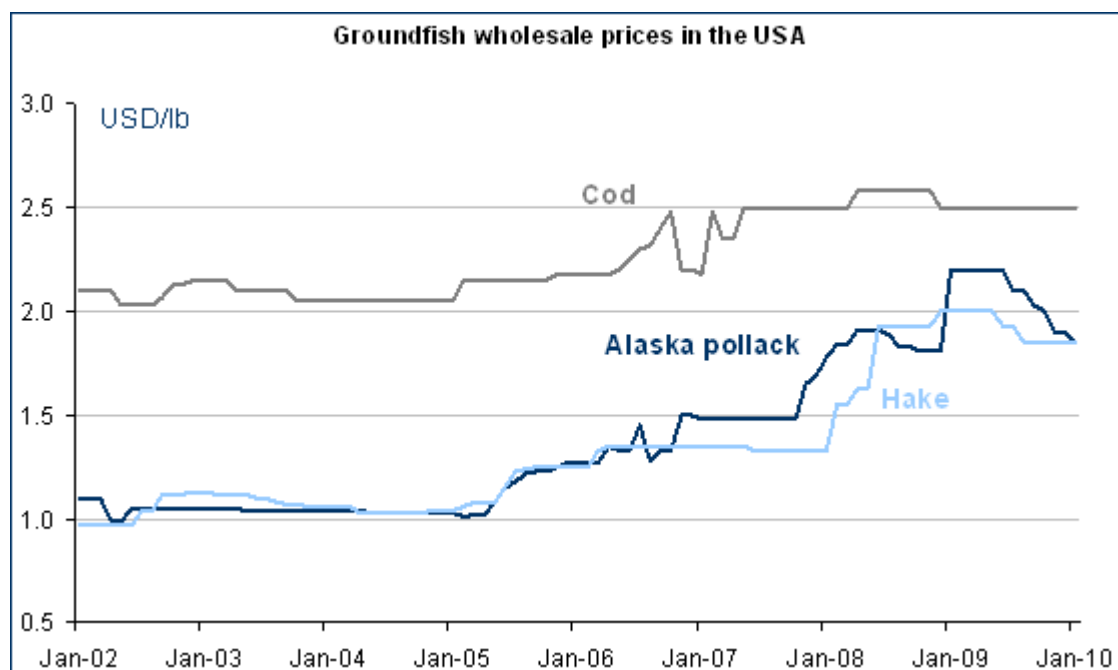
Higher US groundfish imports

Frozen groundfish fillets imports into the US market showed an increase (+6% from 128 600 tonnes to 135 900 tonnes) in 2009 compared with 2008, but have not yet recovered 2007 levels. The 2009 rise reflects increased imports by the USA not only of frozen fillets but in particular an increase in imports of blocks. More specifically during this period, the quantity of frozen groundfish fillets imported by the US was 89 200, only 3% more than in 2008 whereas imports of blocks went up by 11%, reaching 46 700 tonnes. China is the main supplier of both fillets and blocks to the USA with 67% and 33% of total imports during 2009. This country has increased its shipments to the US by 5% (fillets) and 11% (blocks) during this period. China is an important re-processor of Alaska pollock caught by the US and Russian fleets.

Imports						
Cod-like frozen groundfish: USA						
	2004	2005	2006	2007	2008	2009
(1000 tonnes)						
Fillets						
China	73.4	89.8	91.3	74.5	71.0	74.8
Iceland	20.4	16.5	16	11.1	6.6	6.5
Canada	10.3	6.7	9.7	5.5	2.3	2.4
Norway	2.4	1.2	2.1	0.2	0.8	0.8
Others	9.5	8.9	9.0	6.4	5.9	4.7
Total	116	123.1	128.1	97.7	86.6	89.2
Blocks/Slabs						
China	33.2	32.2	25.4	41.7	35.2	38.9
Argentina	3.9	2.9	2.9	2.0	2.3	1.4
Iceland	3.2	1.9	0.6	0.8	0.9	1.0
Norway	1.2	1.4	0.5	0.1	0.2	0.6
Russian Fed.	1.6	1.1	0.5	0.8	1.3	2.9
Canada	8.2	0.6	0.5	2.1	0.7	0.5
Others	10.1	2.6	2.0	1.7	1.4	1.4
Total	61.4	42.7	32.4	49.2	42.0	46.7
Gr. Total	177.4	165.8	160.5	146.9	128.6	135.9

Source: HMFS

The cod market, where prices had been in free fall from December 2008, seems to have stabilized at a low level. Prices were quoted at USD 2.50/lb in January 2010. The price of hake fillets, which followed the same trend as cod until October 2009 (USD 2.20/lb), dropped suddenly in November to USD 1.90/lb and then to USD 1.85/lb in January 2010. This was the result of increased supply from Chile and Argentina.



The price of Alaska pollack, which declined between January and June 2009 from USD 2.00/lb to USD 1.93/lb also experienced a further drop reaching USD 1.85/lb. In the

current difficult economic climate, there is also some good news for Alaskan fishermen.

Alaska pollock fisheries has earned some of the highest scores in the MSC program during its recertification review. The evaluation of the fishery was conducted as part of the five-year recertification of Alaska pollock under the MSC sustainability program, and was also issued for public comment. The certifiers reaffirmed that Alaska pollock continues to be responsibly managed when measured against the rigorous MSC sustainability standard. They endorsed the certification so that Alaska pollock products are still eligible to carry the MSC eco-label. Alaska pollock is widely consumed in the USA in fish sticks, fish sandwiches, fish and chips and in surimi products. Alaska pollock is also one of the most significant US fishery exports, with sustainability and quality top priorities for Alaska pollock consumers in the EU, UK and Japan. Last year, production and supply of surimi remained at a low level across the board, leading to further contraction in this market. However, some market sources indicate that the surimi product market in Japan has reached the bottom.

Even more groundfish this year

The recovery of whitefish resources, a trend that began in 2009, will continue in 2010. Two key factors are involved: the recovery of the cod and haddock resources, and the continued growth of primary whitefish aquaculture species such as tilapia, pangasius and other catfish. It has been suggested that in 2010 global whitefish supplies could increase by 18% compared with 2007. This would add 817 000 tonnes to global whitefish supplies, the equivalent of an entirely new Alaska pollock fishery. Meanwhile, Alaska pollock volumes will remain stable, as increases in Russia will offset the declines in Alaska. In 2010 Alaska pollock catches in the USA are estimated at 800 000 tonnes, while for Russia the estimate is 1.65 million tonnes. Thus, the total for the world Alaska pollack fisheries in 2010 will only be 50 000 tonnes below the 2007 figure.

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